

Section E – Final Project Budget

MFP Demonstration Service Cost Estimates

Current state budget estimates were used to calculate **Qualified HCBS** and **Demonstration HCBS services** expenditures:

- Population targets to be transitioned were used to estimate costs. All demonstration participants will receive appropriate waiver services up to existing caps and/or state plan services. Existing caps were increased by 2% each year for CYs 2009, 2010, and 2011.
- Some demonstration HCBS expenditures are in addition to QHCBS waiver caps and state plan services expenditures. For purposes of this budget, it is estimated that 100% of participants will also receive demonstration HCBS valued at \$7,500 in CY 2008, and increased by 2% each year for the remaining demonstration years. Demonstration services include transition coordination, home set-up, home modification, habilitation, family and informal caregiver training, vehicle adaptations, and assistive devices, all of which may or may not be available through the existing HCBS waivers. To ensure successful transitions, these demonstration services may be made available to participants depending on their documented needs in each individual's comprehensive service plan.
- Waiver caps and state plan service costs were estimated by multiplying the assumed number of demonstration participants meeting eligibility and choosing each waiver/service.

Refer to the chart on the next two pages for detail, and section B.5 for more information on proposed demonstration and supplemental services.

Federal Evaluation Supports

Costs for federal evaluation supports were estimated using the number of residents targeted for transition in each CY. Providers will use procedure code S5190TS to bill \$100 per Quality of Life Survey.

The following methodology was used:

1. Target number of transitions in each CY divided by the number of lead organizations established per CY.
2. A single lead organization was the basis for calculating the number of Quality of Life Surveys administered annually.
3. The number of lead organizations was plotted onto a spreadsheet with the estimated number of surveys to be administered monthly with the three administration times based on a participant's discharge month. Once the total for one lead organization was compiled, that number was multiplied by the number of lead organizations for each year to determine the total of each survey type (A, B, and C, or 1st, 2nd and 3rd) per year. This number was used to calculate the annual cost using the survey rate of \$100 per survey except for CY 2011.

4. Estimated costs for administering the remaining Quality of Life Surveys beyond the end of the demonstration were included in CY 2011.

Estimated Costs

Projected Qualified **HCBS Costs for Demonstration Participants: Elders, Persons with Physical Disabilities, and Persons with Mental Illness

Waiver/State Plan Services:		Nursing Facility/Acute Hospital (NF/AH)			
Calendar Year:		2008	2009	2010	2011
Estimated Participants Receiving Services:		16	254	290	337
*** Service Cost	\$ 48,180	\$ 48,180	\$ 49,144	\$ 50,126	\$ 51,129
Total Cost:		\$ 770,880	\$ 12,482,474	\$ 14,536,677	\$ 17,230,473

Waiver/State Plan Services:		Distinct Part Nursing Facility, Level B (DP/NF-B)			
Calendar Year:		2008	2009	2010	2011
Estimated Participants Receiving Services:		27	172	195	210
***Service Cost	\$ 77,600	\$ 77,600	\$ 79,152	\$ 80,735	\$ 82,350
Total Cost:		\$ 2,095,200	\$ 13,614,144	\$ 15,743,333	\$ 17,293,446

Waiver/State Plan Services:		Nursing Facility Subacute (NF SA)			
Calendar Year:		2008	2009	2010	2011
Estimated Participants Receiving Services:		8	50	65	60
*** Service Cost	\$ 180,219	\$ 180,219	\$ 183,823	\$ 187,500	\$ 191,250
Total Cost:		\$ 1,441,752	\$ 9,191,169	\$ 12,187,490	\$ 11,474,991

Projected Qualified HCBS Costs for Demonstration Participants: Persons with Developmental Disabilities

Waiver/State Plan Services:		Developmentally Disabled (DD)			
Calendar Year:		2008	2009	2010	2011
Estimated Participants Receiving Services:		0	75	98	143
***Service Cost	\$ 76,586	\$ 76,586	\$ 78,118	\$ 79,680	\$ 81,274
Total Cost:		\$ -	\$ 5,858,829	\$ 7,808,647	\$ 11,622,136

Calendar Year:	2008	2009	2010	2011
Total Number of Participants:	51	551	648	750
Grand Total of All Services Costs:	\$ 4,307,832	\$ 41,146,616	\$ 50,276,147	\$ 57,621,045

** Home and Community-Based Services

*** 2% cost increase in CY 2009, 2010, and 2011.

Estimated Costs

Services:		Demonstration HCBS			
Calendar Year:		2008	2009	2010	2011
Number of Participants Receiving Services:		51	551	648	750
***Waiver Cap/Service Cost:	\$ 7,500	\$ 7,500	\$ 7,650	\$ 7,803	\$ 7,959
Total Cost:		\$ 382,500	\$ 4,215,150	\$ 5,056,344	\$ 5,969,295

** Home and Community-Based Services

*** 2% cost increase in CY 2009, 2010, and 2011.

Administrative – Normal

- During the demonstration, the state will widely implement the use of the Preference Interview Tool (see Benchmark #3, pg. 25). The state will reimburse providers the same rate (\$100) using a similar code (S5190) as that which will be used to bill for the Quality of Life Survey.
 - 8,000: 6,000 administered 1 time x \$100 = \$600,000
 - 2,000 administered 2 times x \$100 = \$400,000
 - Total \$1,000,000 / 4 (2008 through 2011) = \$250,000 per year
- Normal administrative expenditures were calculated for the existing project team (as described beginning on pg. 120).
 - One new position, a Health Program Specialist I, will be funded through this Grant beginning July 1, 2008. Total costs for this position are approximately \$117,000. For Calendar Year (CY) 2008, this figure was divided by two. Current total costs were used for CY 2009; total costs were increased by five percent each year for CY 2010 and CY 2011.
 - A Research Analyst II is funded through this Grant beginning April 1, 2008. Total costs for this position are approximately \$110,000. For Calendar Year (CY) 2008, this figure was divided by four, and the sum was multiplied by three. Current total costs were used for CY 2009; total costs were increased by five percent each year for CY 2010 and CY 2011.
 - An existing position, an Associate Governmental Program Analyst, was diverted to work 100% time on the demonstration. Total costs for this position are

approximately \$105,000. Current total costs were used for CYs 2008 and 2009; total costs were increased by five percent each year for CY 2010 and CY 2011.

- The Project Director is filled in the Health Program Manager I classification. Total costs for this position are approximately \$125,000. Current total costs were used for CYs 2008 and through June 30, 2009.

Project Team - Normal

HPS I – 117,000 Beginning 7/01/08 and on
 RA II – 110,000 Beginning 4/01/08 and on
 AGPA – 105,000 All of 2008 and on
 HPM I – 125,000 All of 2008 through 6/30/09

	2008	2009	2010	2011
NORMAL	\$371,000	\$394,500	\$348,600	\$366,030

Administrative – 75%

A full-time Nurse was hired for the Project Team on January 1, 2008.

	2008	2009	2010	2011
ENHANCED	\$138,183	\$145,092	\$152,346	\$159,964

Administrative – 90%

The costs related to MMIS programming modifications to enable tracking of demonstration participants and the associated expenditures/claims are indeterminate at this time. Additionally, costs for modifying existing databases utilized by partner agencies or managed care plans that will provide qualified HCBS, demonstration, and/or supplemental services to demonstration participants are indeterminate.

Estimate: \$500,000